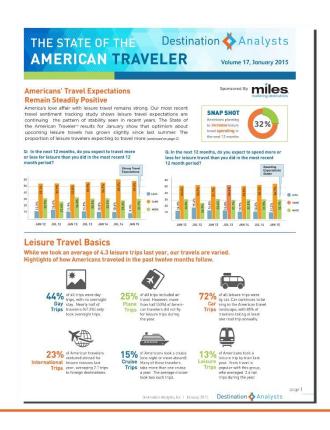




"A new competitive landscape has rapidly evolved. A destination's competition is no longer primarily regional. It's worldwide."

RESEARCH OVERVIEW: THE STATE OF THE AMERICAN TRAVELER



- Online survey conducted bi-annually since 2006
- Survey invitation sent to a nationally representative sample of US adults
- Total sample of 2,000+ American leisure travelers
- Examines traveler sentiment, motivations & behaviors
- January 2015 (and some new June 2015 data!)



RESEARCH OVERVIEW: THE STATE OF THE INTERNATIONAL TRAVELER



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Emerging Markets:

A Hotbed of International Travel Enthusiasm

as well as detailed crosstabulations of the survey's data

The State of the International Traveler, a study recently completed by Destination Analysis, surveyed internationally-oriented travelers in twelve of America's too feeder markets. The findings reveal an extraordinary level of enthusiasm for

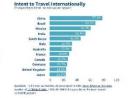
international traval and visitation to the Chinese alazarina in

United States in the emerging markets of China, India, Brazil and Mexico, These emerging markets are a hotbed of intent to travel internationally. When asked to evaluace their planned travel in the upcomine twelve months, in China (27, 190). Brazil (66.9%). Maxico (50.3%) and India (52.4%) more than half of internationallyriented travelors intend to increase their ravels compared to the most recent twelve month nerted. A similar story was seen in travel spending. When asked about their

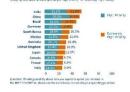
international travel spending priorities. a majority of internationally-oriented travelers in the developing markets of India (52.3%). China (49.7%) and Brazil (55.9%) expect to highly prioritize these expenditures in the upcoming year.

America's appeal as a destination is also rock solid. In an open-ended question survey respondents were asked to list the three foreign countries they would most like to visit in the next twelve months. In nine of the twelve countries studied, the United States was the ton destination—in many cases surpassing its nearest competition by a large margin. Signs of weakness for America exist, however, in Europe-specifically in France, Italy and Germany, In each of these three countries, the United States' popularity is diminished relative to its performance in the other nine countries studied. The charts and images in this document reveal just some of the many other interesting findings from the study, which can be purchased from Destination Analysts.

TANHARY 2014 Destination Analysts, Inc.



Priority of International Travel Spending



DAGE 1

- Online survey (in native language) of a random, representative sample of likely international travelers in 13 top feeder markets to the U.S.:
 - Canada, Mexico, United Kingdom, Japan, Germany, Brazil, China, India, Korea, Australia, France, Italy, Russia
- 800+ surveys collected from likely international travelers in each country. Total sample=10,226
- **Examines traveler sentiment, motivations &** behaviors and tracks destination brand performance
- **Conducted annually since 2014**



TODAY

- Outlook for Travel
- Arizona in the Global Travel Market
- The Arizona-Oriented Traveler
- Travel Inspiration and Planning Behaviors



OUTLOOK FOR TRAVEL



	International	Travel	
	Trips (Avg.)	More	
India	2.5	58.7%	1
France	2.0	32.7%	
United Kingdom	1.9	32.2%	
Russia	1.8	33.7%	_
Canada	1.7	33.5%	
Germany	1.7	29.6%	
Italy	1.6	39.6%	
Mexico	1.5	61.0%	
China	1.5	68.4%	
Australia	1.4	33.4%	
South Korea	1.4	48.4%	
Brazil	1.3	66.4%	
Japan	1.3	24.4%	



Emerging Markets...

Burgeoning Growth



Intend to Travel More Top Countries

- 1. CHINA (68.4%)
- 2. BRAZIL (66.4%)
- 3. MEXICO (61.0%)
- 4. INDIA (58.7%)

BOTTOM COUNTRIES

- 1. FRANCE (32.7%)
- 2. **UNITED KINGDOM (32.2%)**
- 3. **GERMANY (29.6%)**
- 4. JAPAN (24.4%)

Intend to Spend More Top Countries

- 1. CHINA (65.0%)
- 2. INDIA (58.9%)
- 3. BRAZIL (58.8%)
- 4. SOUTH KOREA (52.5%)

BOTTOM COUNTRIES

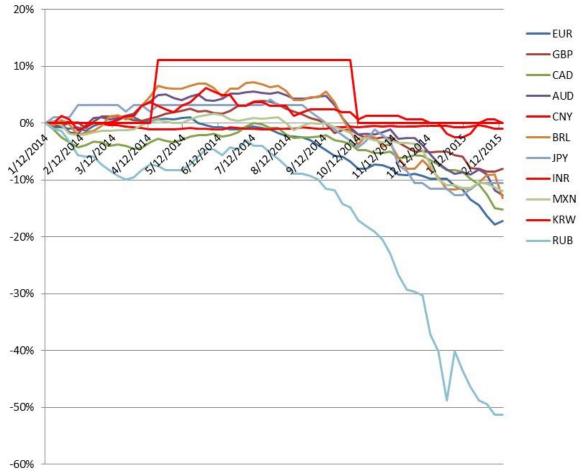
- 1. ITALY (34.7%)
- 2. FRANCE (33.3%)
- 3. **GERMANY (30.5%)**
- 4. JAPAN (25.9%)



International Visitor Spending in the U.S. in 2014 \$222 BILLION



TOP INTERNATIONAL FEEDER MARKETS: CURRENCY AGAINST THE US DOLLAR





Annual International Travel Spending

(Average maximum likely to spend on international travel in the next 12 months)

	2014	2015
China	\$7,675	\$6,070
Australia	\$6,466	\$5.674
India	\$4,582	\$5,451
South Korea	\$3,865	\$4 190
Brazil	\$4,728	\$3,990
United Kingdom	\$4.364	\$3.684
France	\$3 134	\$3 623
Canada	\$3,766	\$3,592
Mexico	\$3,359	\$3,397
Germany	\$3,246	\$3,188
Japan	\$3,288	\$3,157
Italy	\$3 187	\$3,023
Russia	N/A \$2,437	

Priority of International Travel Spending

(Percent saying international travel spending is "High" or "Extremely high" priority)

	2014	2015
India	52.3%	57.8%
Germany	39.7%	51.0%
Brazil	45.0% 48.7%	
China	49.7%	46.8%
Russia		41.0%
France	25.7%	40.3%
South Korea	35.3%	37.6%
Mexico	33.4%	36.4%
United Kingdom	29.4%	36.1%
Australia	30.5%	33.7%
Italy	24.8%	29.4%
Japan	29.1%	29.1%
Canada	26.1% 25.7%	

How are American Travelers feeling about travel right now?



Optimism and positivity continues to grow



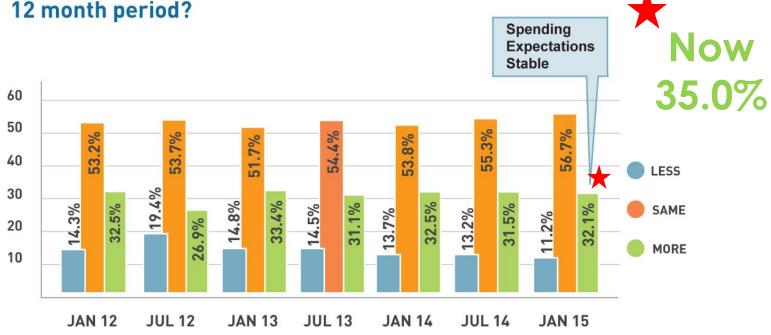
Average Number of Leisure Trips Taken by American Travelers in the Past 12 Months

4.2



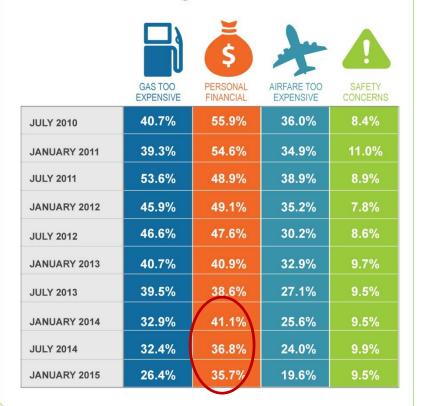
Q: In the next 12 months, do you expect to travel more or less for leisure than you did in the most recent 12 month period? Strong Travel **Expectations** 34.3% 29.0% 50 55.1% 55. 40 LESS 30 30.2% 16.6% SAME 29.5% 10.6% 11.9% 11.9% 10.8% 27.5% 20 %6.6 MORE 10 **JAN 12 JUL 12 JAN 13 JUL 13 JAN 14 JUL 14 JAN 15**

Q: In the next 12 months, do you expect to spend more or less for leisure travel than you did in the most recent





Reasons for cutting back on leisure travel





Distancing from Discounts & Travel Thrift Continues

Which of the following are you likely to do given the overall economic climate (including gasoline prices, travel costs and your personal financial situation)? (Select all that apply)



Look for travel discounts or bargains	39.7%
Visit generally less expensive destinations	16.0%
Take at least one "staycation" (a vacation spent	13.1%
at home) rather than traveling	
Reduce the number of leisure trips I will take	11.9%
Reduce the number of total days I will spend on leisure trip(s) to save money	11.6%
Shorten the distance of my trip(s) or reduce side trips along the way to save money	9.5%
Select less expensive mode(s) of transportation	5.5%



Reasons for cutting back on leisure travel



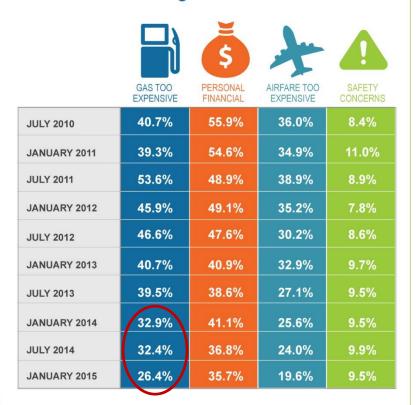


25% Plane Trips

of all trips included air travel. However, more than half (53%) of American travelers did not fly for leisure trips during the year.



Reasons for cutting back on leisure travel



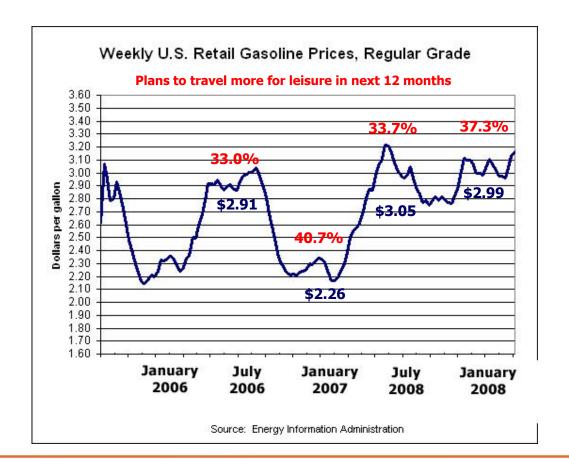




72% of all leisure trips were by car. Car continues to be Car king in the American travel Trips landscape, with 85% of travelers taking at least one road trip annually.











Reasons for cutting back on leisure travel



Now 23.2%

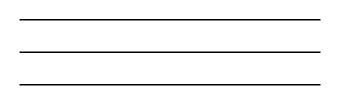


ARIZONA IN THE GLOBAL TRAVEL MARKET



Welcome to the United States

What are the three FOREIGN COUNTRIES that you would most like to visit in the NEXT TWELVE (12) MONTHS? (Write in up to three)





Most Desired Global Destinations: United States



	2014	2015	Rank
Mexico	39.7%	65.2%	1
Brazil	50.1%	61.8%	1
India	43.0%	56.1%	1
Canada	45.5%	53.5%	1
Japan	43.3%	47.1%	1
United Kingdom	32.2%	44.3%	1
South Korea	39.7%	43.6%	1
Australia	32.1%	41.9%	1
China	41.0%	41.5%	1
Italy	18.2%	40.2%	3
France	22.0%	31.5%	3
Germany	12.9%	16.5%	4
Russia	N/A	8.5%	12





China

- 1. United States
- 2. South Korea
- 3. Austrailia
- 4. Japan
- 5. France
- 6. Thailand
- 7. Singapore
- 8. New Zealand
- 9. U.K.
- 10. Germany



Brazil

- 1. United States
- 2. Italy
- 3. Argentina
- 4. France
- 5. Portugal
- 6. U.K.
- 7. Spain
- 8. Canada
- 9. Chile
- 10. Mexico



Mexico

- 1. United States
- 2. France
- 3. Spain
- 4. Canada
- 5. Italy
- 6. Brazil
- 7. United Kingdom
- 8. Argentina
- 9. Germany
- 10. Cuba



What are the destinations you would most want to visit on your next vacation to the United States? (Write in up to five)

		-





The Grand Canyon

Globally

Domestically

6.3% 17TH 6.4% 12TH

Similar to Hollywood; out performing New Orleans and Texas; performing behind Boston, Alaska and Orlando Similar to Seattle; out performing Yellowstone and Denver; performing behind Boston and New Orleans

Destination An

The Grand Canyon

Countries with Greatest Interest

United Kingdom South Korea Canada Russia Australia







Phoenix Appeal (Top 2 Box Score)

Globally

Domestically

33.5%

33.9%

Similar to Atlantic City, Lake Tahoe, and Dallas

Similar to Anchorage, Chicago and Philadelphia



Phoenix

International markets that rate Phoenix highest for appeal

China India Brazil Mexico





China

- 1. Hawaii
- 2. Los Angeles
- 3. San Francisco
- 4. Niagara Falls
- 5. New York City
- 6. Anaheim/Disneyland
- 7. Atlantic City
- 8. Chicago
- 9. Seattle
- 10. Phoenix



Brazil

- 1. Hawaii
- 2. Los Angeles
- 3. New York City
- 4. San Francisco
- 5. Miami
- 6. Orlando
- 7. Las Vegas
- 8. Washington, DC
- 9. Anaheim/Disneyland
- 10. Chicago
- 16. Phoenix



Mexico

- 1. United States
- 2. France
- 3. Spain
- 4. Canada
- 5. Italy
- 6. Brazil
- 7. United Kingdom
- 8. Argentina
- 9. Germany
- **10.** Cuba

22. Phoenix

Phoenix Likelihood to Visit

Globally

11.5%

Next five years

Domestically

17.4%

Next three years



Phoenix

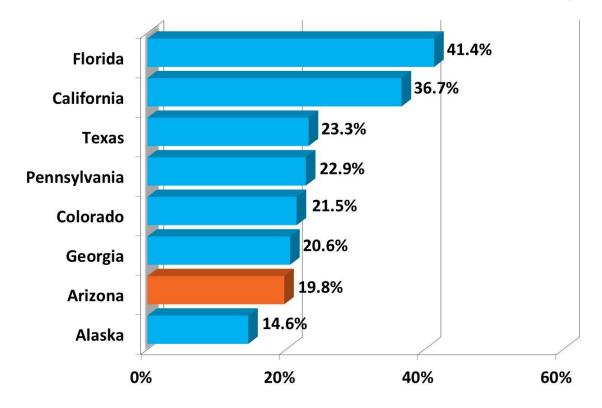
International markets that are likeliest to visit

China India Mexico Canada



Arizona

American Travelers: Likelihood to Visit (next three years)





Arizona

Domestic Markets Likeliest to Visit (States)

California Florida Illinois New York



UP-CLOSE: THE ARIZONA-ORIENTED TRAVELER

Arizona-Oriented Travelers

American travelers who have visited Arizona for leisure reasons in the past 3 years OR who say they are likely to visit Arizona for leisure in the upcoming three years.

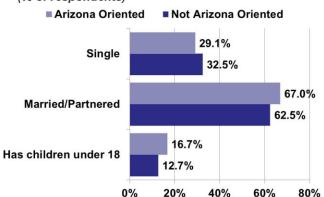
26.7%



Arizona-Oriented Travelers—Demographic Profile



(% of respondents)



Annual Household income

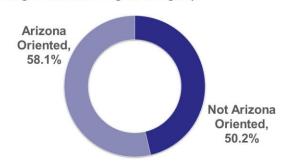
(Avg. annual household income)

Arizona Oriented = \$75,693

Non Arizona Oriented = \$67,239

Formal Education

(% reporting a Bachelors Degree or higher)



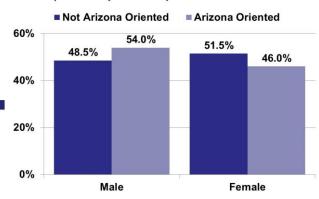
Ethnicity

(% reporting a non-Caucasian ethnicity)



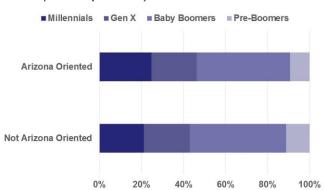
Gender

(% of respondents)



Generation

(% of respondents)



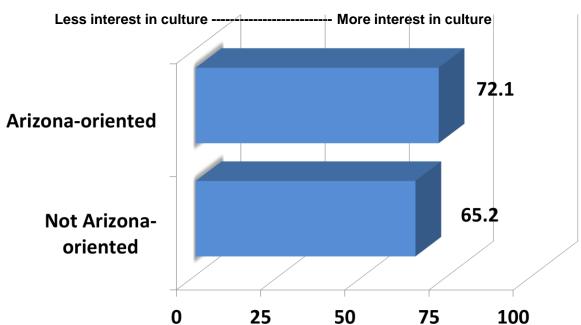
Arizona-Oriented Travelers—Psychographic Profile Traveler Psychographic Intensity Index Score

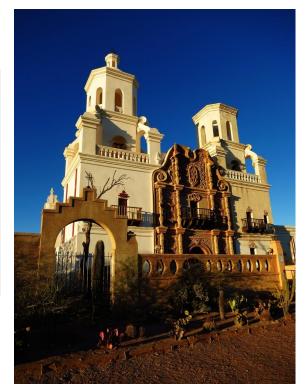
- **ACTIVITY SEEKERS Prefers active vacations**
- **CONNECTIVITY Connected during leisure travel and its planning**
- TRAVEL PLANNING INTENSITY Intensively plans leisure travel
- **NATURE LOVERS -** Desires rural over urban travel experiences
- **CULINARY INTEREST -** Food & cuisine driven traveler
- **AUTHENTICITY -** Wants the real destination vs. commercial tourism product
- **CULTURAL INTEREST -** Wants to engage a destination's arts and culture assets
- PRICE SENSITIVITY Concern about pricing drive demand for leisure travel experiences
- **EXPLORATION HUNGRY Gains pleasure from exploration while traveling**



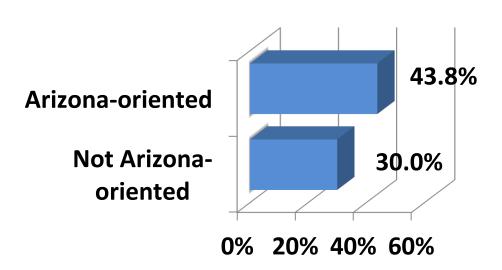


Culture Index





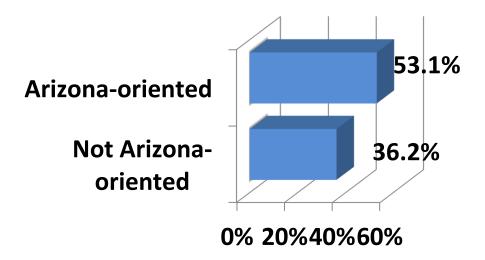
Prioritize Learning about Culture (% Likely or Extremely likely)



Prioritize learning as much as possible about the customs, traditions and history of my destination



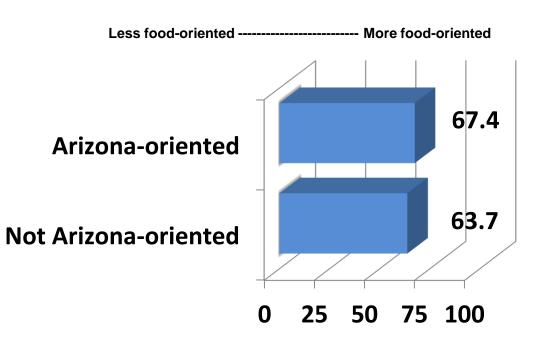
Visit art, cultural, natural history or science-related museums on leisure trips (% Likely or Extremely likely)





Arizona-Oriented Travelers—Psychographics: Culinary Interest

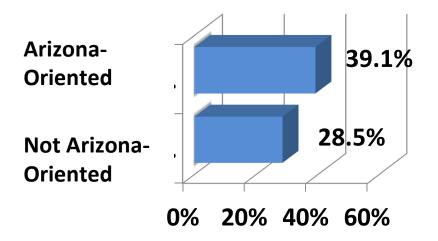
Culinary Index





Arizona-Oriented Travelers—Psychographics: Culinary Interest

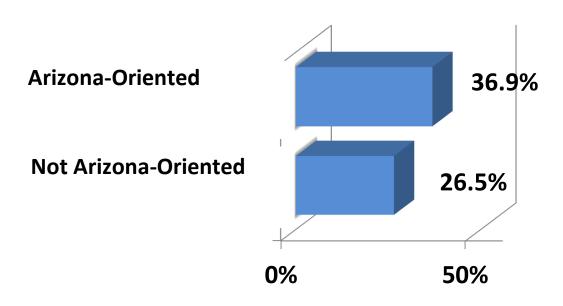
Interest in Unique Food Experiences (% Agree or Strongly Agree)



Desire new culinary experiences and food unique to the destination when traveling



Culinary Travel Planners (% Likely or Extremely likely)

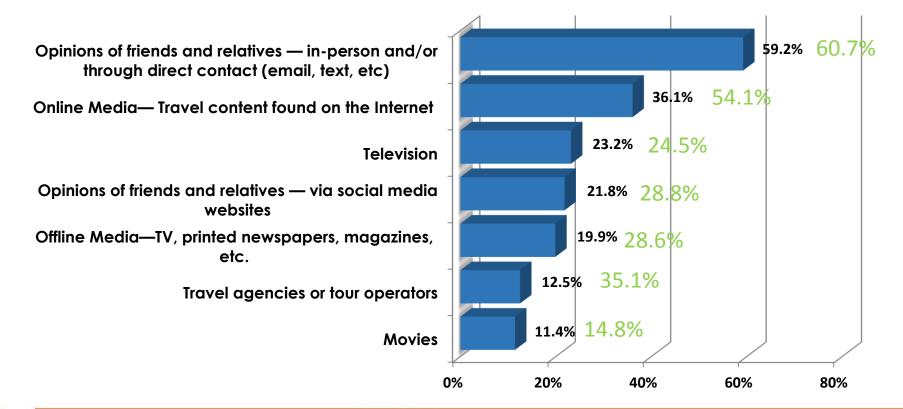


Extensively research the restaurants prior to traveling



TRAVELER BEHAVIORS & PLANNING PREFERENCES

SOURCES OF DESTINATION INSPIRATION







Q: In the past 12 months, have you used the official WEBSITE of a destination's local Visitors or Convention Bureau (or Chamber of Commerce), or state or national government travel office to help plan any travel?

(Select all that apply)

YES	30.1%
NO	66.5%
I Don't Know	3.5%



At which point in your travel planning did you use the website of a destination's Visitors or Convention Bureau (or Chamber of Commerce) or state or national government travel office?

(Select all that apply)

Before I had decided to travel to the destination	63.29
After I decided to travel	
to the destination	47.49
While I was in the destination on my trip	13.39

DECIDING WHERE TO GO—FIRST ACTIONS

Millennials:

- 1. Perform
 Searches on
 Search
 Engines
- 2. Talk to/Text/Email People I Know
- 3. Watch Videos Online

GenX:

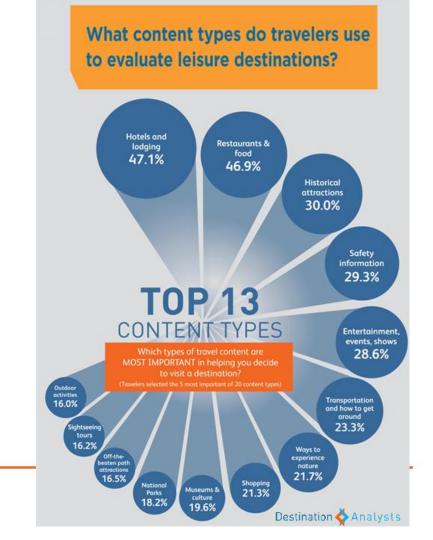
- Perform
 Searches on
 Search
 Engines
- 2. Talk to/Text/Email People I Know
- 3. Read Articles

Baby Boomers:

- Perform
 Searches on
 Search
 Engines
- 2. Research Pricing
- 3. Talk to/Text/Email People I Know



Content that Drives Destination Decision

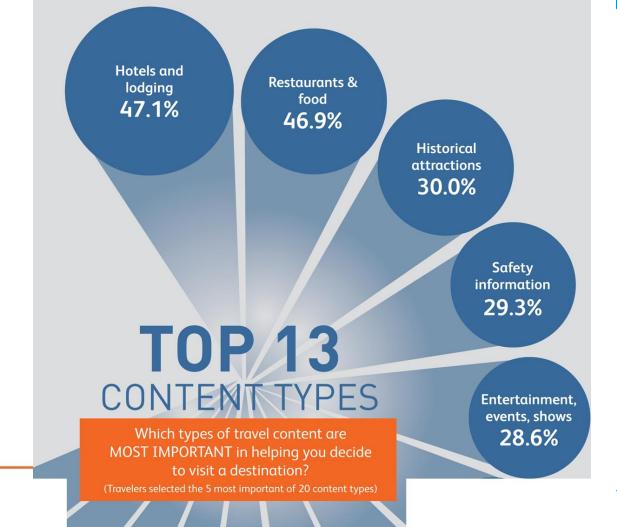


Where Will I Sleep?

What Will I Eat?

Will I Be Safe?

What Will I See & Do?



TOP 13 CONTENT TYPES

Which types of travel content are MOST IMPORTANT in helping you decide to visit a destination?

(Travelers selected the 5 most important of 20 content types)

Entertainment, events, shows 28.6%

Transportation and how to get around 23.3%

Ways to experience nature 21.7%

Off-thebeaten path attractions 16.5%

Outdoor activities

16.0%

Sightseeing tours 16.2%

> National Parks 18.2%

Museums & culture 19.6%

Shopping 21.3%

Content Preferences: Millennials vs Boomers

Historical Attractions	19.8%	35.6%



International Travelers Content Desires

Phoenix

Grand Canyon

HOTELS
HOW TO GET AROUND
ICONIC ATTRACTIONS
RESTAURANTS
SHOPPING

HOTELS
HOW TO GET AROUND
NATIONAL PARKS
HISTORICAL ATTRACTIONS



Arizona's Iconic American Experiences

Route 66 MLB NFL NBA

ITALY SOUTH KOREA MEXICO SOUTH KOREA CHINA

Travel Media & Technology

Resources and Services Used to Plan Leisure Travel

In the past 12 months, which of these Internet technologies or services have you used to help plan your leisure travel? (Select all that apply)





Travel Media & Technology

Resources and Services Used to Plan Leisure Travel

In the past 12 months, which of these Internet technologies or services have you used to help plan your leisure travel? (Select all that apply)





Travel Media & Technology

Resources and Services Used to Plan Leisure Travel

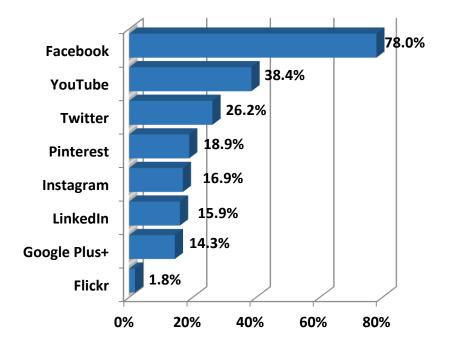
In the past 12 months, which of these Internet technologies or services have you used to help plan your leisure travel? (Select all that apply)



Now 48.1%



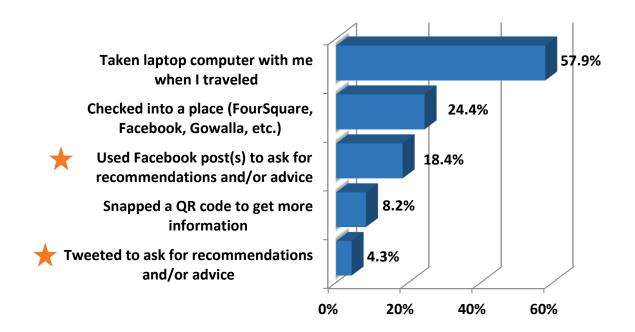
AMERICAN TRAVELERS ON SOCIAL MEDIA



Q: Which of these social media services do you regularly use?



AMERICAN TRAVELERS ON SOCIAL MEDIA

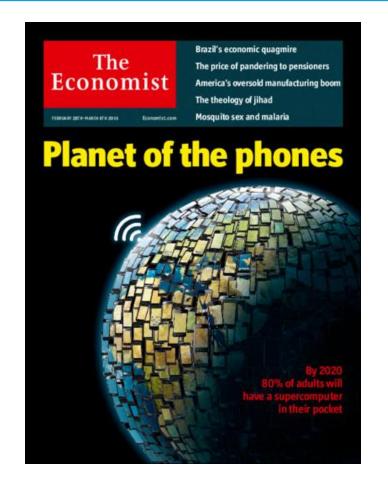


Q: In the past 12 months, which of the following have you done while on (or planning) a leisure trip? (Select all that apply)



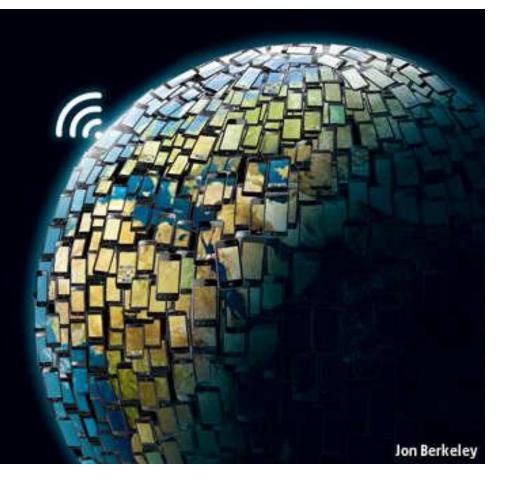
"The SmartPhone is the defining Technology of our Age"

THE ECONOMIST FEB. 28TH 2015



12,000x

Increase in Mobile Data Speeds Since 2005



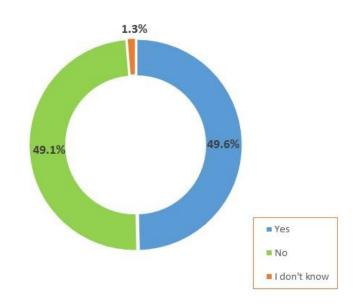
99.6%

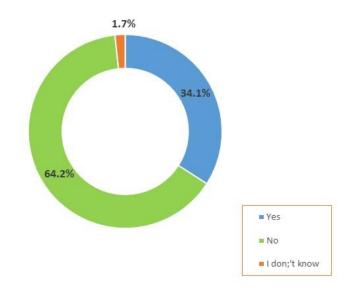
In the last 10 years the average cost of 1 MB of mobile data has declined from \$8 to a few cents



USED MOBILE PHONE TO PLAN TRAVEL

USED TABLET TO PLAN TRAVEL



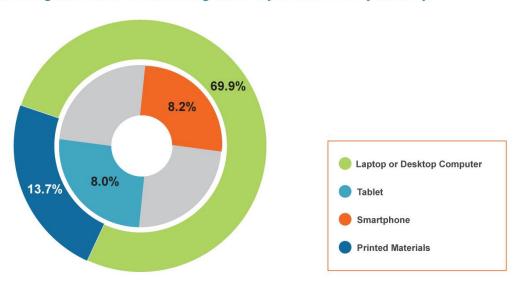




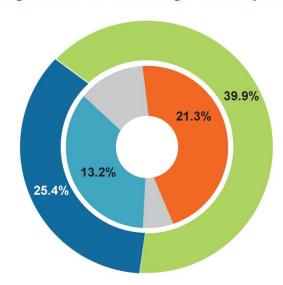
Over 50% of Likely International Travelers Will Bring a Smartphone on Their Trip to the United States



Q: What percentage of your travel planning is typically done using each of the following before you leave for your trip?

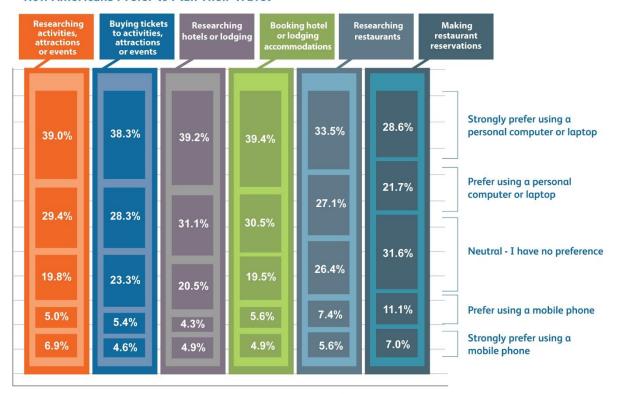


Q: What percentage of your travel planning is done using each of the following while on your trips?





How Americans Prefer to Plan Their Travel

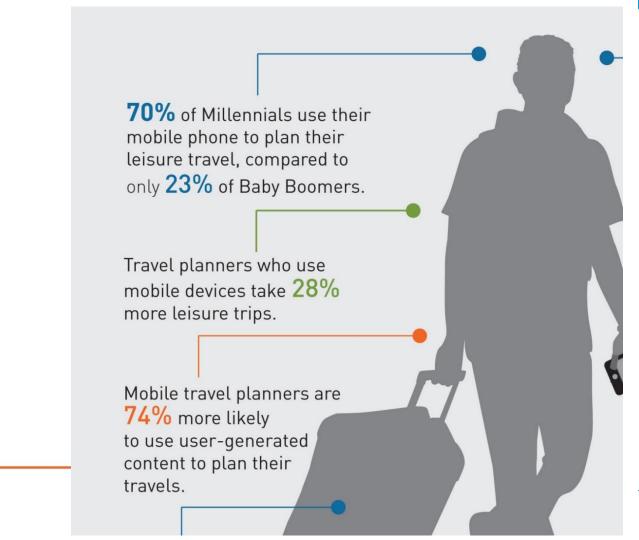


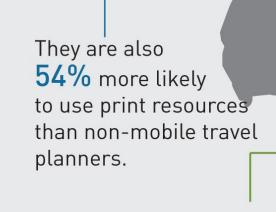
Question: If you were given the choice of using a mobile phone or a desktop or laptop computer, which would you generally prefer to use for each of these travel planning tasks?











Mobile planners are 13% more likely to have at least a college degree, and are more likely to be urbanites (31% vs. 19%).

Mobile travel planners are 4 times as likely to use social media for travel planning.



Thank You, Arizona Tourism Community!

@DA_Research | @ErinCummings31 erin@destinationanalysts.com

